

Stockton Planning Commission Cannabis Ordinance Project Community Meetings and Findings November 15, 2018

Andrew Freedman
FREEDMAN&KOSKI



Community Goals for the Ordinance

- Prevent availability of regulated cannabis to individuals who are under 21 years of age.
- Maintain, and when possible improve, the public health and safety of citizens.
- Be consistent with Stockton's long-term planning and land use strategies.
- Seek to create equitable opportunities for different socioeconomic and cultural interests.



- Predictable Provide clear guidance to licensees so they can demonstrate compliance to City staff, and so City staff can monitor and enforce consistently.
- **Equitable** Consider the cost of licensing and regulation and the resources available to different socioeconomic and racial groups that may be interested in participating in the cannabis industry.
- Achievable Meet community goals and can also be monitored and enforced by the City to allow for a sustainable business model for cannabis licensees.
- **Compatible** Language in ordinance is consistent with and does not conflict with other relevant areas of public policy including but not limited to State cannabis regulations, land use procedures, criminal law, and other planning strategies.



Community Meetings-At-a-Glance

- 7 Community Meetings Between July and October 2018
 - Equity Plan
 - Dispensaries (Retail Stores) and Delivery
 - Cultivations
 - Manufacturers
 - Distributors
 - Testing Laboratories
- Approximately 200 participants
- 7 Written Comments
- 3 Debriefs with Elected Officials
 Planning Commission August 2018 and November 2018
 - City Council September 2018
- Future Debriefs with Elected Officials



License Types



License Type Specific Considerations

- Retail Stores- Delivery from current retail stores and nonstorefront delivery businesses
- Distributors- Not allowing these license types puts Stockton licensees at a competitive disadvantage to licensees from other jurisdictions
- Cultivations Limitations or restrictions on any type of outdoor cultivation, land use and odor concerns
- Manufacturers- Consider restrictions on the type of extractions allowed (volatile and non-volatile)
- **Testing Laboratories-** Reducing barriers to attract these license types to Stockton



Stakeholder Interests in License Types

What the workgroup participants cared about in addition to equity considerations:

- Right sizing the industry in Stockton;
- The impact a limited number of licensees will have on equity and competitiveness in statewide marketplace;
- Distance between licensees and from sensitive areas like schools, parks and drug treatment centers;
- Ability to balance public safety with business interests;
- Additional City restrictions added to State requirements;
- Public nuisance concerns like odors and traffic at licensed premises.



Policies to Pursue for License Types

Policies we were asked to pursue in addition to equity policy considerations:

- Allow for Distributor, Manufacturer and Testing Facility license types;
- Determine size of industry through land use and distance requirements;
- Explore possibility of allowing delivery to customers from Retail Stores and Non-storefront Delivery licensees;
- Adopt state standards when appropriate;
- Incorporate current City standards and processes (i.e. application procedures, odor control, and land use).



Equity Plan Outreach



Equity Programs

In descending order, here is what the workgroups cared about:

- Equity in ownership.
- Equity in distribution of funds.
- Equity in employment.



Policies to Pursue for Equity Plan

Here are policies we were asked to pursue:

- Changing License Number Caps
- Incubators/Support Services
- Governance
- Diversity Hiring
- Tax or Fee Breaks
- Tax Revenue Distribution



California Equity Program

California Cannabis Equity Act (SB 1294) Summary:

- (1) To provide a loan or a grant to a local equity applicant or local equity licensee
- (2) To support local equity program efforts to provide sources of capital to local equity applicants and local equity licensees.
- (3) To provide direct technical assistance to local equity applicants and local equity licensees.
- (4) To assist in the administration of local equity programs.



Current City Equity Programs

HI ITIAC	Support Services/Incubator	EVNIINGAMANT	Priority Processing	Fee waivers or Deferrals	Hiring		Equity- Based Fund
Sacramento	Х	Х	х	Х	Х		
San Francisco	Х				Х		Х
Oakland	Х		х			Х	
Los Angeles	Х		х	Х			Х



Next Steps...

- Ordinance drafting and policy recommendations –
 November 2018
- Planning Commission January 2019
- City Council February 2019